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CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

**Slidell, Louisiana
CRM 71-0038996**

**GENERAL PURPOSE FINANCIAL STATEMENTS
AND
AUDITOR'S REPORTS**

For the Years Ended December 31, 2000 and 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the House Storage office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-15-01

CATABOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

GENERAL PURPOSE FINANCIAL STATEMENTS

For the Years Ended December 31, 2008 and 2009

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DAUZAT, BEALL & DEBEVECK, CPAs

A PROFESSIONAL CORPORATION

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Catahoula Parish Hospital
Service District No. 2
Bellaire Island, LA

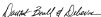
We have audited the general purpose financial statements of Catahoula Parish Hospital Service District No. 2, a component unit of Catahoula Parish Police Jury, as of and for the years ended December 31, 2008 and 2009, as listed in the table of contents. These general purpose financial statements are the responsibility of the District's Board of Trustees. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Catahoula Parish Hospital Service District No. 2 at December 31, 2008 and 2009, and the results of its operations and its enterprise fund cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated June 28, 2011 on our consideration of the Catahoula Parish Hospital Service District No. 2's internal control over financial reporting, and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.



Certified Public Accountants

June 28, 2001

CH2MHILL LABORATORY SERVICES REPORT NO. 1

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
Periods: 2010, 2009 and 2008

	<u>Unrestricted Fund</u>	<u>Proprietary Fund</u>	<u>Fiduciary Fund</u>	<u>Total (Unrestricted Only)</u>	
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>2010</u>	<u>2009</u>
	<u>2010</u>	<u>2009</u>	<u>2009</u>		
ASSETS					
Cash and cash equivalents	\$ 16,221	\$ 46,707		\$ 16,220	\$ 46,707
Investments		40,460	\$ 404,400	179,248	489,115
Investments available - current/optional					
available and alternatives of \$85,000					
and \$10,000 in 2009 and 2008 respectively		114,470		114,470	89,760
Other non-current		114,468		114,468	89,758
Inventory		90,000		90,000	77,275
Prepaid expenses		40,460		40,460	0,000
Construction in Progress		40,460		40,460	
Property, plant and equipment, net of					
accumulated depreciation		1,401,064		1,401,064	1,389,173
Amount available for debt service fund		40,460		40,460	40,460
Amount to be provided for retirement of					
current bonds payable		111,588		111,588	198,320
total assets	<u>\$16,221</u>	<u>\$1,735,719</u>	<u>\$404,400</u>	<u>\$1,895,248</u>	<u>\$1,733,865</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable		\$ 36,709		\$ 36,709	\$ 36,835
Accounts payable		36,709		36,709	36,100
Compensated absences		40,460		40,460	50,460
Capital lease payable		0,000		0,000	11,100
Current bonds payable		111,588		111,588	198,320
Unbonded compensation bonds payable			1,000,000	1,000,000	1,000,000
Total Liabilities		<u>214,757</u>	<u>1,040,669</u>	<u>1,155,376</u>	<u>1,235,715</u>
FUND EQUITY					
Contributions - fund		0,000		0,000	0,000
All resources less fund programs		166,000		166,000	166,000
Reversion fund payable		240,000		240,000	240,000
Equity transfer payments from debt service fund		1,000		1,000	1,000
Distributed capital from debt service fund		40,460		40,460	40,460
Reserve - Debt Service	140,460	140		140,460	140,460
Reserve - Contingency		1,000		1,000	2,000
Total Fund Equity		<u>407,860</u>		<u>407,860</u>	<u>407,860</u>
Total Liabilities and Fund Equity	<u>\$16,221</u>	<u>\$1,735,719</u>	<u>\$404,400</u>	<u>\$1,895,248</u>	<u>\$1,733,865</u>

The accompanying notes are an integral part of the financial statements.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 1

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE**

GOVERNMENTAL FUND TYPE - DEBT SERVICE FUND

For the years ended December 31, 2008 and 1999

	2008	2009
REVENUE		
Interest Income	\$ 645	\$ 904
Total revenue	645	904
OTHER FINANCING SOURCES (USES)		
Transfers in	32,000	32,000
Bonds Refund	_____	(31,730)
Net of revenues and other sources over expenditures and other uses	32,645	944
Fund Balance, Beginning of year	32,633	65,673
Fund Balance, End of Year	<u>\$ 65,278</u>	<u>\$ 66,617</u>

The accompanying notes are an integral part of the financial statements.

CALABALAGH HOSPITAL, INC.'S FORM 990

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS OR FUND BALANCE
DISBURSEMENTS (PART IV) - CONTINUING FUND
For the Year Ending December 31, 2008 AND 2009**

	2008	2009
REVENUES		
Net Patient service revenue	1,480,786	1,599,824
Miscellaneous	6,662	1,832
Total operating revenue	<u>1,487,448</u>	<u>1,601,656</u>
OPERATING EXPENSES		
Salaries and wages	727,134	829,482
Utilities and telephone	10,243	10,436
Office supplies and expense	8,112	10,436
Medical supplies and drugs	47,243	47,243
Contracted fees	47,583	57,278
Professional fees	38,186	10,094
Taxes	6,481	8,436
Repairs and maintenance	13,883	28,391
Equipment rentals	6,484	6,477
Insurance	47,088	60,771
Travel, meals and entertainment	5,934	5,436
Interest	1,753	1,896
Real estate	18,738	6,632
Retirement expense	38,000	57,074
Postnet transportation	5,712	5,431
Depreciation	89,697	66,038
Other	4,874	11,494
Depreciation and amortization	1,888	7,264
Total	<u>11,800</u>	<u>1,118,071</u>
Total operating expense	<u>1,499,248</u>	<u>1,719,147</u>
Total non-operating	<u>178,210</u>	<u>241,483</u>
ADMINISTRATIVE REVENUES		
Grant income	497,484	497,484
Grants	288,563	288,563
Grants	6,484	6,484
Grants	1,888	7,264
Total nonoperating revenue	<u>794,419</u>	<u>800,000</u>
OTHER REVENUES (AND DISBURSEMENTS)		
Operating revenue	(11,000)	(11,000)
Disbursement	11,000	11,000
Net other (financing sources) (uses)	<u>11,000</u>	<u>11,000</u>
NET INCREASE (DECREASE)	<u>11,000</u>	<u>11,000</u>
RETAINED EARNINGS, Beginning of Year	1,000,000	990,000
FINANCIAL POSITION, ASSETS (LIABILITIES)	<u>1,011,000</u>	<u>1,001,000</u>
FINANCIAL POSITION, LIABILITIES	<u>1,011,000</u>	<u>1,001,000</u>

The accompanying notes are integral part of the financial statements.

CITY OF LOS ANGELES PUBLIC WORKS DEPARTMENT

STATEMENT OF CASH FLOWS
FUND-BUDGET FUND-1978 - DECEMBER 31, 1978
FOR THE FISCAL YEARS ENDING IN 1978 AND 1979

	1978	1979
Cash flows from Operating and Nonoperating Activities:		
Net Income (Loss)	\$ 114,084	\$ 146,299
Adjustments to reconcile net income to cash provided by operations:		
Non-cash items including:		
Depreciation	84,894	86,288
Net Gain		9,632
Change in working capital:		
Accounts receivable	116,748	
Decrease (increase) in accounts payable - purchase	(97,875)	3,888
Decrease (increase) in other receivables	(14,913)	69,817
Decrease (increase) in inventory	1,124	61,846
Decrease (increase) in prepaid expenses	11,385	11,785
Current liabilities		
Increase (decrease) in accounts payable	(14,146)	50,875
Increase (decrease) in accrued expenses	1,591	85,143
Increase (decrease) in accounts of others payable	35,858	2,752
Increase flow from operating and nonoperating activities	338,433	357,663
Cash flows from Investing Activities:		
Purchase of property, plant and equipment	(78,148)	(102,909)
Construction loans	(91,889)	
Investment maturities	1,891	2,136
Increase flow from investing activities	(167,146)	(100,773)
Net increase (decrease) in cash and cash equivalents	171,287	256,890
Cash and cash equivalents at beginning of period	189,632	114,652
Cash and cash equivalents at end of period	\$ 360,919	\$ 371,542
Supplemental Disclosure:		
Cash Payment For:		
Interest	\$ 1,125	\$ 1,028

The accompanying notes are an integral part of the financial statements.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2
Stelly Island, LA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS
For the Years Ended December 31, 2009 and 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Hospital Service District No. 2 of the Parish of Catahoula, hereinafter referred to as the District, was organized pursuant to the provisions of an ordinance adopted by the Police Jury of the Parish of Catahoula, State of Louisiana, on April 5, 1976.

The District is a political subdivision of the Catahoula Parish Police Jury. Accordingly, Governmental Accounting Standard No. 14 requires that these financial statements be included in those of the Catahoula Parish Police Jury, the Primary government.

A Primary government meets the following criteria:

- a. It has a separately elected governing body
- b. It is legally separate
- c. It is fiscally independent

The District's board of commissioners are appointed by the Catahoula Parish Police Jury and direct operational policy. Effective September 5, 1985, an Administrative Board was established in accordance with regulations and instructions of the Public Health Service. The members of the board were elected by users of the clinic. The District's Board of Commissioners, by resolution, delegated responsibility of operating the clinic, approving grant funds and setting policies and procedures for the District to the new Administrative Board. The District receives progress reports and remains ultimately responsible for all District operations.

The District was awarded a Community Health Service Rural Health Initiative (RHI) grant from the Department of Health, Education and Welfare to provide efficient and effective health care through the operation of a health delivering system designed to meet the medical needs of the community, i.e., early detection diagnosis, and treatment of illnesses and injuries; to facilitate an understanding of the desirability of initiating a program of preventive medicine; and to generally improve and promote the improvement of the community, civility and socially. The District provides comprehensive primary health care to area residents, with particular care for the socio-economically disadvantaged. The area served consists of the whole of Catahoula Parish and the surrounding fringe areas of Concordia, Franklin and Tensas Parishes. The services are provided through an outpatient clinic with a school program, health education and limited medical services for hospitalizations.

CATACHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2
Notes - Continued

The District has agreements with third-party payors that provide for payments to the District at amounts different from its established rates. The District is reimbursed for most reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by the District and audits thereof.

In December 1977, Congress passed the Rural Health Clinic Services Act of 1977 (Public Law 95-200) to provide financial support for facilities using physicians extenders to provide primary health care services in rural, medically underserved areas. The law authorized Medicare and Medicaid payments to qualified rural health clinics for covered health care services furnished by or under the direction of nurse practitioners and physician assistants. In order to qualify as a rural health clinic under Medicare and Medicaid, a facility must be under the general direction of a physician, be located in a rural area and operate in an area designated by the Department of Health, Education and Welfare as having a shortage of personal health services, be engaged essentially in providing outpatient primary medical care, and meet health and safety requirements prescribed by Medicare and Medicaid regulations.

During the year ended December 31, 2005, the District's operations were funded by a Community Health Service Rural Health Initiative (RHI) grant awarded under Section 304 of the Public Health Services Act, as amended. Various restrictions are placed on expenditures of these funds. Reconciliations of used and unused funds are prepared at the end of the program year and the propriety of such funds determined by the Department of Health and Human Services.

In July of 1995, the District opened a satellite clinic, located in Wrenn, Louisiana. The satellite clinic provides the same services as the District. During the year 1999, the satellite clinic was approved in the scope of services provided by the District under DHHS regulations. Future operations of the satellite clinic are contingent upon continued funding and the District's generated revenues.

In June of 2000, the District opened a dental clinic located in Sicily Island, Louisiana. The dental clinic operations were funded by a grant from the Rapides Foundation with a duration of 5 years.

The accounting policies of the District conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

Financial Reporting Entity

The accompanying financial statements of Catahoula Parish Hospital Service District No. 2 present the financial position of the various fund types and account groups, the results of operations of the various fund types and cash flows of the proprietary fund type.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2
Notes - Continued

Fund Accounting

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. The various funds are grouped in the financial statements in this report into three broad fund categories and generic fund types as follows:

GOVERNMENTAL FUND TYPES

Debt Service Fund

Debt service is used to account for the accumulation of resources from and the payment of, general long-term debt principal, interest and related costs.

PROPRIETARY FUND TYPES

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business-enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

FIDUCIARY FUND TYPES

Agency Fund

The deferred compensation agency fund accounts for employer contributions and earnings that are held by a third party administrator, Lincoln National Life Insurance Company, on behalf of employees. In accordance with Internal Revenue Code Section 457, Catahoula Parish Hospital Service District No. 2 retains title to the assets and acts as agent for the fund. Agency funds are custodial in nature and do not involve measurement of results of operations.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental and agency funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within 90 days after year-end.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

An exception to this general rule is principal and interest on general long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Patient service revenues are recognized when they are earned and recorded as full established rates, even though contractual agreements are settled for less. Provision is made for the resulting contractual adjustments based upon each payer's agreement.

Federal grant funds are recognized as revenue when the grant awards are disbursed by the U.S. Department of Health and Human Services. Expenses are recognized when incurred or obligated.

Income Taxes

The District's income is exempt from taxation.

Uncollectible Accounts

The District's estimate of uncollectibility is applied to accounts receivable in the enterprise fund to establish an allowance for uncollectible accounts. Additionally, other patients are given discounts on a "sliding-scale" basis based upon their ability to pay.

Inventory

The enterprise fund inventory is stated at the lower of cost or market value. The District uses the "purchase" method of recording inventory. Materials and supplies are charged as expenses when acquired, and inventory on hand at the end of the period is recorded as an asset.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

Property, Plant and Equipment

Property, plant and equipment is recorded at cost for purchased assets or at fair market value on the date of any donation. Depreciation is provided in the enterprise fund in operations over the estimated useful lives of the depreciable assets on the straight-line basis. The following estimated useful lives are generally used:

Buildings	25 to 40 years
Machinery and equipment	5 to 15 years
Transportation equipment	3 to 5 years
Furniture and fixtures	5 to 15 years

Expenses from additions, major renewals and betterments are capitalized and expenses for maintenance and repairs are charged to operations as incurred.

The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses resulting from property disposed are credited or charged to operations currently.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Debt Service

The debt service fund was established to receive monies and to pay bonds and the interest thereon. Revenue received cannot be commingled with other funds and can be used only for the designated purpose.

NOTE 2 - CASH AND CASH EQUIVALENTS/INVESTMENTS

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits with original maturities of three months or less from the date of acquisition. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are stated at cost, except for investments in the agency fund which are reported at market value.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

acquisition. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana. Investments are stated at cost, except for investments in the agency fund which are reported at market value.

At year-end, the carrying amounts of the District's deposits were as follows:

	Enterprise Fund	Debt Service Fund	Agency Fund
Cash and cash equivalents	\$ 158,370	\$ 33,623	
Investments	87,412		\$ 689,806
	<u>\$ 223,832</u>	<u>\$ 33,623</u>	<u>\$ 689,806</u>

All deposits held at Sicily Island State Bank, and insured by the FDIC and secured by the pledge of securities owned by the fiscal agent bank on December 31, 2009, as follows:

Total deposits	\$259,433	
Total FDIC insurance	\$100,000	(Category I)
Total uncollateralized (Collateralized securities held by the pledging financial institution or agent, but not in the name of Catahoula Parish Hospital Service District #2)	156,520	(Category III)
	<u>\$456,520</u>	

The market value of the pledged securities plus the federal deposit insurance must at all times equal or exceed the amount on deposit with the fiscal agent.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1329 imposes a statutory requirement on the custodial bank to ascertain and sell the pledged securities within 10 days of being notified by the Catahoula Parish Hospital Service District No. 2 that the fiscal agent has failed to pay deposited funds upon demand.

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

NOTE 3 - OTHER RECEIVABLES

A summary of the proprietary fund other receivables at December 31, 2000 and 1999, is presented below:

	<u>2000</u>	<u>1999</u>
Property tax receivable	\$ 2,982	\$ 2,580
Interest receivable	485	671
Third party reimbursement - Net (Read Note 9)	98,677	48,802
Grant receivable	52,090	
Revenue Bonds receivable		63,897
Totals	<u>\$134,234</u>	<u>\$115,950</u>

NOTE 4 - PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT

A summary of the enterprise fund property, plant and equipment and accumulated depreciation at December 31, 2000 and 1999, is provided:

		<u>Property, Plant and Equipment</u> <u>2000</u>		
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Dispositions</u>	<u>Ending Balance</u>
Land	\$ 31,873			\$ 31,873
Building	1,324,883	5,647		1,330,530
Building improvements	13,156	1,239		14,395
Furniture and equipment	265,409	65,949		331,358

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

Medical equipment	205,878	909,329		553,287
Vehicles	<u>42,653</u>			<u>42,653</u>
Totals	<u>\$1,794,822</u>	<u>\$1,738,164</u>		<u>\$1,872,559</u>
Accumulated Depreciation				
<u>2000</u>				
	Beginning Balance	Additions	Dispositions	Ending Balance
Building	\$ 138,423	\$ 32,214		\$ 160,637
Building improvements	7,245	916		8,161
Furniture and equipment	153,786	32,651		186,437
Medical equipment	551,435	18,906		570,341
Auto	<u>42,653</u>	<u>0</u>		<u>42,653</u>
Totals	<u>\$1,884,322</u>	<u>\$84,687</u>		<u>\$1,969,009</u>

As explained in Note 1, the District receives funding under Section 130 of the Public Health Services Act. Various restrictions are placed on the funds obtained by these funds. For the Public Health Service (PHS), Grants Policy Statements, title to real and tangible personal property (expendable and non-expendable) shall rest in the grantee upon acquisition, subject to the accountability requirements and the PHS's right to transfer title. Further, the proceeds of the sale being distributed between the District and the PHS based upon the percentage of funding provided by each.

Property, Plant and Equipment				
<u>1999</u>				
	Beginning Balance	Additions	Dispositions	Ending Balance
Land	\$ 31,877			\$ 31,877
Building	1,182,640	\$ 42,242		1,224,882
Building improvements	11,446	5,750		17,196
Furniture and equipment	181,961	83,418		265,409
Medical equipment	284,381	12,497		296,878

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2*Notes - Continued*

	Beginning Balance	Accumulated Depreciation 1999		Ending Balance
		Additions	Dispositions	
Building	\$ 98,589	\$ 31,834		\$ 130,423
Building improvements	6,438	887		7,325
Furniture and equipment	125,348	17,437		142,785
Medical equipment	136,905	14,480		151,385
Vehicle	<u>41,183</u>	<u>1,439</u>		<u>42,622</u>
Totals	\$ 418,463	\$ 66,000		\$ 484,523

NOTE 5 - PROPRIETARY FUND ACCRUED EXPENSES

Accrued expenses of the proprietary fund at December 31, 2000 and 1999, is comprised of salaries payable and related payroll expenses.

NOTE 6 - COMPENSATED ABSENCES

The District's employees earn annual leave at a rate of one (1) day per month for those (3) years of service, and one and one-half day after three (3) years of service, and two (2) days per month after fifteen (15) years of employment. Annual leave can accrue up to 30 days. Accrued leave reflected in the financial statements is accumulated unused vacation as of December 31, 2000.

NOTE 7 - BOARD OF COMMISSIONERS

Each of the commissioners served the District without compensation.

CATAHOLA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

NOTE 4 - CONTINGENCIES

The District evaluates contingencies based upon the best available evidence. The District believes that no allowance for loss contingencies is considered necessary.

The principal contingencies are described below:

Grant Awards - The ability of the District's continued operations is contingent upon continued funding from the Public Health Service. A \$660,255 grant award has been approved for 2001.

Unobligated Federal Funds - For the Public Health Service (PHS), Grants Policy Statement, the District's grant funds, including amounts awarded for the current budget period, and estimated or actual unobligated Federal funds carried over from prior budget periods are authorized for the District's use only in the current budget period in the amount specified by the PHS awarding office in an approved budget or a Notice of Grant Award. As a result of carryovers of unobligated grant funds, the total amount of funds available in the grant account may exceed the Federal share of the approved budget. These funds are not automatically available to the District. The PHS awarding office exercises sole discretion as to the use of these funds.

Amounts received from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed expenditures, including amounts already collected, may constitute a liability. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

The District is covered under the Federal Tort Coverage Act. All malpractice claims filed against the District or its employees are referred under the Federal Tort Coverage Act.

NOTE 5 - MEDICAID/MEDICARE THIRD-PARTY REIMBURSEMENT

In accordance with the Omnibus Budget Reconciliation Act of 1989 (OBRA 89) and 1990 (OBRA 90), reimbursement policies for reasonable cost reimbursement were established for a certain set of Federally-Qualified Health Centers (FQHC) such as the District, rather than reimbursement based upon allowable charges for each service provided. Medicaid reimbursement became effective April 1, 1990 and Medicare, October 1, 1991.

For the year ended December 31, 2000, amounts due from the Medicaid fiscal intermediary was \$65,130 and the Medicare fiscal intermediary was \$19,558. These settlement amounts are subject to audit and adjustment by the fiscal intermediaries. These amounts have been

CATABOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

reflected in the financial statements as receivables and revenues, net of an allowance for disputed costs estimated at (25) twenty-five percent.

NOTE 10 - EMPLOYEES RETIREMENT

The District participates in a plan under guidelines established under Section 457 of the Internal Revenue Code of 1954 (48 FR 85077), as revised by DHRSA of 1980. All participating employees are exempt from social security tax withholding from wages. The 457 plan is a fixed annuity plan with employee contributions of 7.5% and employer-contributions of 11.8% for physicians and 6.3% for all other employees.

The deferred compensation is not available to participants until termination, retirement or death. All amounts of compensation delivered under the plan, all property and rights purchased with these amounts, property or rights are the property of the District subject only to the claim of general creditors. Participants rights under the plan are equal to those of general creditors of the District in an amount equal to the fair market value of the deferred amount for each participant. All funds paid into the plan are managed by the third party administrator selected by the District. At December 31, 2000, investments were recorded in an agency fund at the fair market value of \$691,806.

NOTE 11 - REVENUE BONDS

On December 13, 1995, the Board of Commissioners met in regular session and held a public hearing for the purpose to propose issuance of not exceeding Nine Hundred Ninety Thousand Dollars (\$990,000) of Hospital Revenue Bonds for the purpose of financing a portion of the cost of acquiring, constructing and improving health care facilities for the District, to mature over a period of time not to exceed twenty (20) years from the date of their issuance, and bear interest at a rate or rates not exceeding six per centum (6%) per annum, pursuant to the authority of Part VII, Chapter 4, Title 39 of the Louisiana Revised Statutes of 1950, as amended. A resolution finding and determining that no petition had been filed objecting to the proposed issuance was adopted by the Board of Commissioners. The total cost of the project is approximately \$1.3 million with the remaining funds provided by the state of Louisiana.

The bonds were sold to Rural Economic and Community Development (formerly FmDA).

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

NOTE 12 - CHANGES IN AGENCY FUND-DEFERRED COMPENSATION BENEFITS PAYABLE

Balance January 1, 1999	Additions	Reductions	Amortization	Balance December 31, 2009
\$610,005	\$125,494	\$120,751	\$45,962	\$660,706

NOTE 13 - BONDED DEBT

The District bonds outstanding at December 31, 2009, in the amount of \$343,192, are revenue bonds. All principal and interest requirements are funded by revenue generated by the District. At December 31, 2009, the District has accumulated \$85,623 in the debt service funds for future debt requirements. The bonds are due as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2001	16,514	15,444	31,958
2002	17,257	14,760	31,958
2003	18,004	13,904	31,958
2004	18,846	13,113	31,958
2005-2017	<u>272,546</u>	<u>38,855</u>	<u>351,541</u>
Total	<u>\$343,192</u>	<u>\$135,176</u>	<u>\$478,368</u>

NOTE 14 - CAPITAL LEASE

During the year the District purchased a telephone system under a lease arrangement classified as a capital lease. The purchase price was \$13,773 and financed for 60 monthly payments of \$258.84. The effective annual interest rate is 11.479%. Future obligations under this lease arrangement are as follows:

Year Ending December 31,	Principal Payments	Interest Payments	Total
2001	1,825	960	3,586
2002	1,826	668	3,586
2003	1,842	324	3,586
2004	<u>1,170</u>	<u>23</u>	<u>1,197</u>
Total	<u>\$3,863</u>	<u>\$1,975</u>	<u>\$5,838</u>

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2

Notes - Continued

NOTE 15. PRIOR PERIOD ADJUSTMENT

Amounts previously recorded as due from fiscal intermediaries were adjusted by third-party reimbursement companies. These amounts are reflected in the financial statements.



DAUZAT, BEALL & DEBEVEC, CPAs

A PROFESSIONAL CORPORATION

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Catholicas Parish Hospital Service District No. 2
Post Office Box 33
Silly Island, LA 71368

We have audited the general purpose financial statements of the Catholicas Parish Hospital Service District No. 2 as of and for the year ended December 31, 2008, and have issued our report thereon dated June 28, 2009. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Catholicas Parish Hospital Service District No. 2's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Catholicas Parish Hospital Service District No. 2's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be

detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control that might be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Cataleola Parish Hospital Service District No. 3's management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



David B. Smith, CPA's, APC
Certified Public Accountants
June 28, 2009



DAUZAT, BEALL & DEBEVEC, CPAs

A FIDELITY+TRICOR COMPANY

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Catahoula Parish Hospital Service District No. 2
Post Office Box 33
Baldy Island, LA 71368

Compliance

We have audited the compliance of the Catahoula Parish Hospital Service District No. 2 with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2000. The Catahoula Parish Hospital Service District No. 2's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Catahoula Parish Hospital Service District No. 2's management. Our responsibility is to express an opinion on the Catahoula Parish Hospital Service District No. 2's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Catahoula Parish Hospital Service District No. 2's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Catahoula Parish Hospital Service District No. 2's compliance with these requirements.

In our opinion, the Catalecula Parish Hospital Service District No. 2 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2000.

Internal Control Over Compliance

The management of the Catalecula Parish Hospital Service District No. 2 is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Catalecula Parish Hospital Service District No. 2's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of the Catalecula Parish Hospital Service District No. 2's management, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.



Robert Beall & Bebeve, CPAs, APC
Certified Public Accountants
June 28, 2001

CATAHOULA PARISH HOSPITAL SERVICE DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2000

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	____ yes ____ <u>no</u>
Reportable condition(s) identified	
not considered to be material weakness(es)?	____ yes ____ <u>no</u> none reported
Noncompliance material to financial statements noted?	____ yes ____ <u>no</u>

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	____ yes ____ <u>no</u>
Reportable condition(s) identified	
not considered to be material weakness(es)?	____ yes ____ <u>no</u>
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 518(a)?	____ yes ____ <u>no</u>

CATHERINE FREEMAN HOSPITAL, DISTRICT DISTRICT NO. 1
Belly Island, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDING DECEMBER 31, 1999

Federal Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program Amount Received	Program Expenditures
U.S. Department of Health and Human Services, Public Health Service				
Direct Programs:				
Community Health Clinic Rural Health Initiatives Grant	93.004	104	\$ 600,000	\$ 600,000
Total U.S. Department of Health and Human Services			\$ 600,000	\$ 600,000